

Agenda Item Number:

**ORANGE COUNTY BOARD OF HEALTH
AGENDA ITEM SUMMARY**

Meeting Date: August 26, 2015

Agenda Item Subject: 4th Quarter Financial Report FY 14-15

Attachment(s): 4th Quarter Financial Report
4th Quarter Billing Dashboard

Staff or Board Member Reporting: Colleen Bridger

Purpose: Action
 Information only
 Information with possible action

Summary Information:

Total Health Department Revenue: Average YTD monthly revenue in FY15 after the 4th Quarter is \$205k/month or \$2.5M YTD, representing 100.15% of our overall budgeted revenue for the year. This is an increase from an average of \$174k/month in FY14. Year-end revenue is in line with initial budget projections (\$207k/m, \$2.5M/y). Due to slightly exceeding our anticipated revenues, budgeted Medicaid Maximization funds were not transferred into the budget at the end of the fiscal year, which is in accordance with Health Department practices. Expenses were lower than budgeted at 93%.

Total Billing Accuracy: After surpassing our billing accuracy goal of 80% in FY 13-14, we set a new goal of reaching 90% in FY 14-15. The average billing accuracy rate for medical at the end of FY 14-15 is 91% as compared to 86% in FY 13-14 and the average rate for dental for FY 14-15 is 96% as compared to 73% in FY 13-14 (Dental only had 7 months of billing accuracy data for FY 13-14 due to the addition of processing payments through the Eaglesoft system.)

Progress continues in refining our definition of billable claims, though the billing accuracy percent presented here always reflects a conservative estimate of accuracy. Though reducing the proportion of unpaid Self-Pay claims is a work in progress, it's not likely we will ever recover 100% of those claims.

Dental Earned Revenue by Source: Dental earned revenue has consistently increased from year to year, and FY 14-15 average monthly revenue (\$35k/month)

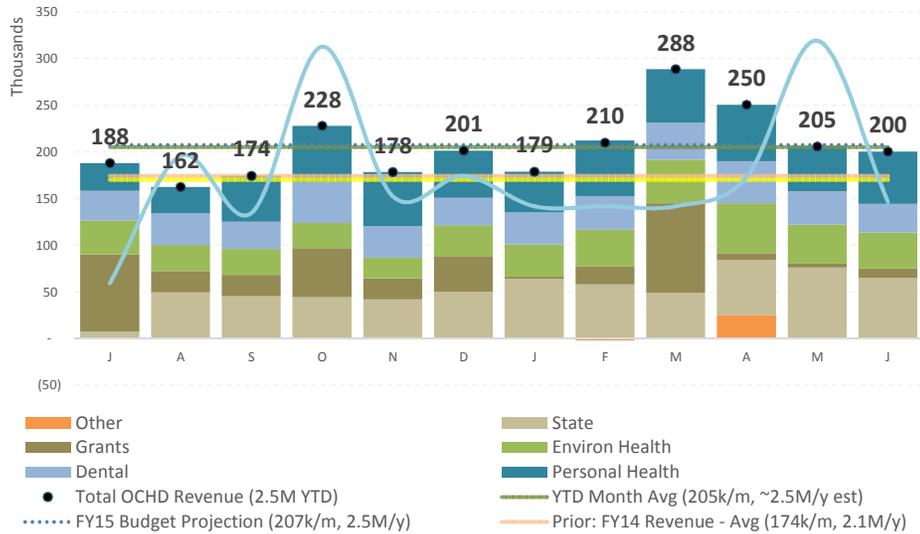
exceeded our budget projection (\$32k/month). FY 14-15 dental revenue totaled \$423k as compared to \$317k in FY 13-14.

Medical Earned Revenue by Source: Medical earned revenue has exceeded the budgeted projection for FY 14-15. The monthly average after the fourth quarter (\$50k/month) is greater than FY14 (\$44k/y) and FY13 (\$25k/y), but slightly higher than our budget projection (\$48k/month). Improved billing efforts (coding, payment collections, and debt set-off) contributed to the higher revenue collections for FY 14-15.

- Recommended Action:**
- Approve
 - Approve & forward to Board of Commissioners for action
 - Approve & forward to _____
 - Accept as information
 - Revise & schedule for future action
 - Other (detail):

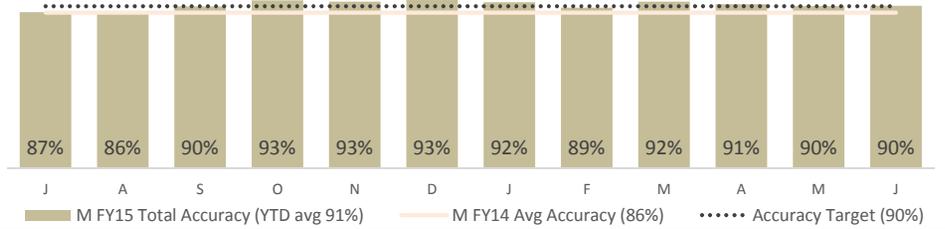
TOTAL HEALTH DEPARTMENT REVENUE

vs. budget projections & prior year



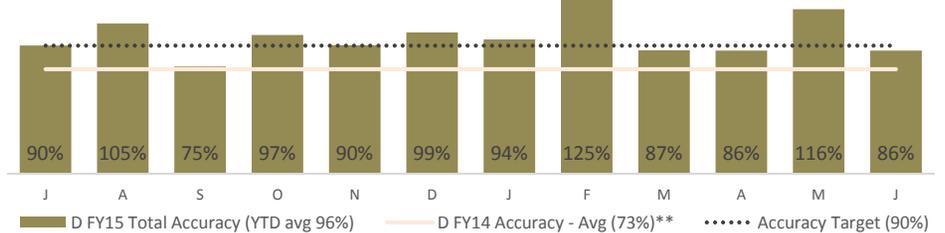
Medical Billing Accuracy*

vs previous year & goal



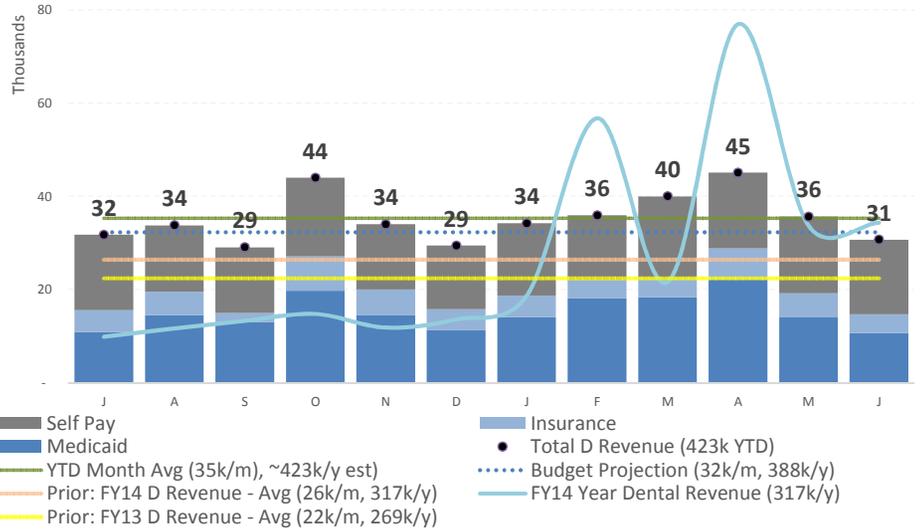
Dental Billing Accuracy*

vs previous year & goal



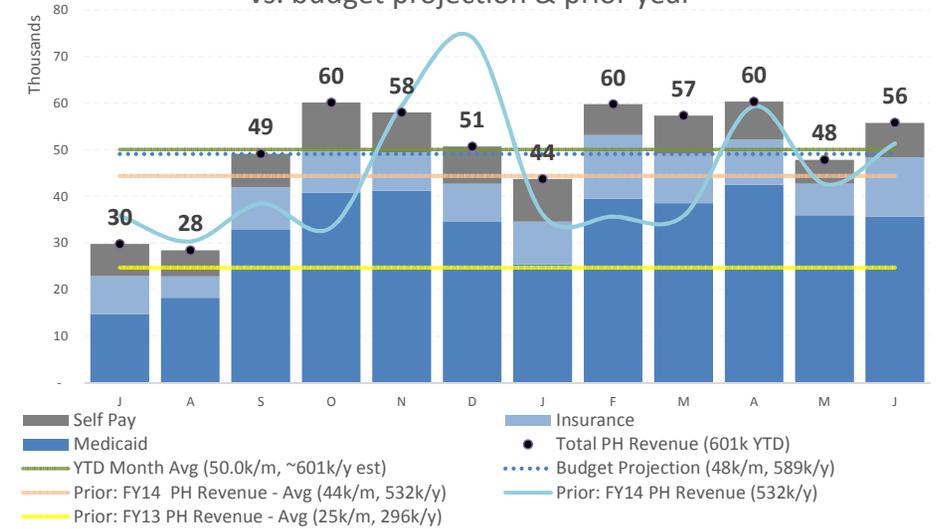
DENTAL EARNED REVENUE BY SOURCE

vs. budget projection & prior year



MEDICAL (PH) EARNED REVENUE BY SOURCE

vs. budget projection & prior year



* NOTE : FY 15 Billing Accuracy no longer combines dental and medical paid claims & unpaid claims. Because two different accounting systems are being used (Medical: Accrual; Dental: Cash) the two clinics are shown separately.

Billing Accuracy Formulas: Medical = Paid claims/(# encounters minus no charge claims). Un-claimed appointments are no longer factored in; Dental = Paid Claims/# kept appointments.

Claims can take a quarter to realize payment - billing accuracy for all months increases with time as claims are finalized and errors are reworked.

**FY14 Dental payments began processing through Eaglesoft (the current system) in December. The prior months payments are not included in the data, thus producing a lower billing accuracy.